

## 2011 DRAFTING REQUEST

### Bill

Received: 04/06/2011

Received By: mshovers

Wanted: As time permits

Companion to LRB:

For: Neal Kedzie (608) 266-2635

By/Representing: Ginger in Rep. J Ott's ofc

May Contact:

Drafter: mshovers

Subject: Tax, Individual - miscellaneous

Addl. Drafters:

Extra Copies:

Submit via email: YES

Requester's email: Sen.Kedzie@legis.wisconsin.gov

Carbon copy (CC:) to:

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### Pre Topic:

No specific pre topic given

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### Topic:

Federalize the capital loss limit

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### Instructions:

See attached. Federalize the capital loss limit; Senate companion for LRB -0736/2

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### Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	mshovers 04/08/2011	jdye 04/11/2011		_____			State Tax
/1			phenry 04/11/2011	_____	sbasford 04/11/2011	ggodwin 04/12/2011	

FE Sent For:

<END>

at  
intro  
8-3-11

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/?	mshovers	1 4/11 jld	4/11 ph	X			
11 ME-S	4/7/11						
FE Sent For:							

<END>

## Shovers, Marc

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**From:** Shovers, Marc  
**Sent:** Thursday, April 07, 2011 4:07 PM  
**To:** Mueller, Virginia  
**Subject:** RE: federalizing capital loss

OK. If I don't hear anything by the end of the day tomorrow, I'll just go ahead and draft the companion. Thanks.

Marc

---

**From:** Mueller, Virginia  
**Sent:** Thursday, April 07, 2011 4:06 PM  
**To:** Shovers, Marc  
**Subject:** RE: federalizing capital loss

Marc

Let's give them until the end of the week.

Thanks

Ginger

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**From:** Shovers, Marc  
**Sent:** Thursday, April 07, 2011 4:04 PM  
**To:** Mueller, Virginia  
**Subject:** RE: federalizing capital loss

Hi Ginger:

I have not yet heard from Sen. Kedzie's office. Would you like me to go ahead and enter the companion bill, or should I wait until I hear from his office? Thanks.

Marc

---

**From:** Mueller, Virginia  
**Sent:** Wednesday, April 06, 2011 10:51 AM  
**To:** Shovers, Marc  
**Cc:** Wheaton, Doug  
**Subject:** federalizing capital loss

Mark,

Senator Kedzie's office will be contacting you soon. They would like to draft a companion to LRB 0736/2, federalizing capital loss, authored by Rep. Jim Ott. You have our permission to share this draft. Please call me with any questions.

Thank you

Ginger Mueller

**Shovers, Marc**

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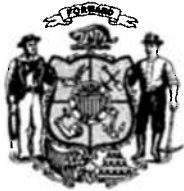
**From:** Mueller, Virginia  
**Sent:** Wednesday, April 06, 2011 10:51 AM  
**To:** Shovers, Marc  
**Cc:** Wheaton, Doug  
**Subject:** federalizing capital loss

Mark,

Senator Kedzie's office will be contacting you soon. They would like to draft a companion to LRB 0736/2, federalizing capital loss, authored by Rep. Jim Ott. You have our permission to share this draft. Please call me with any questions.

Thank you

Ginger Mueller  
Office Rep. Jim Ott  
6-0486



State of Wisconsin  
2011 - 2012 LEGISLATURE



LRB-0736/2  
MES/gld/md

-1857/  
Keep

RMM

2011 BILL

repen

X

1 AN ACT *to renumber and amend* 71.05 (10) (c); and *to create* 71.05 (10) (c) 2.  
2 of the statutes; **relating to:** federalizing the treatment of capital losses.

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***Analysis by the Legislative Reference Bureau***

Under current law, the maximum amount of a capital loss that may be deducted from income each year is \$500; the federal limit is \$3,000.

For taxable years beginning on January 1, 2012, this bill federalizes the treatment of capital losses by eliminating the \$500 annual limit on capital loss deductions.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

3 SECTION 1. 71.05 (10) (c) of the statutes is renumbered 71.05 (10) (c) 1. and  
4 amended to read:

5 71.05 (10) (c) 1. The amount required so that the net capital loss, after netting  
6 capital gains and capital losses to arrive at total capital gain or loss, is offset against

**BILL****SECTION 1**

1 ordinary income only to the extent of \$500. Losses in excess of \$500 shall be carried  
2 forward to the next taxable year and offset against ordinary income up to the limit  
3 under this ~~paragraph~~ subdivision. Losses shall be used in the order in which they  
4 accrue. This subdivision does not apply to any taxable year that begins after  
5 December 31, 2011.

6 **SECTION 2.** 71.05 (10)<sup>X</sup>(c) 2. of the statutes is created to read:

7 71.05 (10) (c) 2. Any Wisconsin loss carry-forwards that exist as of December  
8 31, 2011, shall be allowed as provided under section 1211 (b) of the Internal Revenue  
9 Code.

10 (END)

**Godwin, Gigi**

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**From:** Wheaton, Doug  
**Sent:** Tuesday, April 12, 2011 9:05 AM  
**To:** LRB.Legal  
**Subject:** Draft Review: LRB 11-1857/1 Topic: Federalize the capital loss limit

Please Jacket LRB 11-1857/1 for the SENATE.